

ASX RELEASE

SOLCO LIMITED

7th August 2006

Suspension from Trading

Solco Ltd (ASX: SOO): The directors of Solco Ltd (“the Company”) request a suspension from trading while they undertake a process to recapitalise the Company.

The directors advise that the Company has not been able to close the placement announced on 13th July 2006 because the market has traded below the placement price of AU \$0.18.

The Company is undertaking a further financial review of its business in light of the recently reported financial performance for the June quarter.

The Company has also commenced negotiations with parties to recapitalise the Company subject to the appropriate approvals.

The Company considers that it is prudent to suspend trading in its securities pending an announcement as to the outcome of such financial review and recapitalisation negotiations.

For further information on Solco visit www.solco.com.au

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For further information, contact Mr. Dermot Patterson on (08) 9334 8100 or Mr. John Beech 0400 10 3675.